

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 17, 2005

LB 312

CLERK: (Roll call vote taken, Legislative Journal page 1550.)  
24 ayes, 8 nays, Mr. President, on the amendment.

SENATOR CUDABACK: The Redfield amendment was not adopted. I do  
raise the call. Mr. Clerk, please, next amendment.

CLERK: Mr. President, the next amendment I have, Senator  
Raikes, AM1626. (Legislative Journal page 1550.)

SENATOR CUDABACK: Senator Raikes, to open on AM1626.

SENATOR RAIKES: Thank you, Mr. President, members of the  
Legislature. We're getting closer here. To what, I'm not sure,  
but we'll see. Several of you have expressed concern that this  
is just too much. When you count all the additional incentives,  
when you count the additional job training money, when you count  
the additional exemption from the sales tax base, this is just  
too much. So I'm coming at this a little bit, from a little bit  
different direction, but I hope to convince you that you can  
support turning this back into something that is going to be  
effective--I would argue, as effective--but is going to be less  
over the top, and considerably less expensive to the state, as  
well as doing less permanent damage to the state's sales tax  
base. In particular, this amendment would strike from the bill  
the exemption, the sales tax exemption, for business machinery  
and equipment. It would leave the sales taxation policy on  
machinery and equipment the same as we have it right now. Let  
me make two or three points to support this proposal. One is  
that, not all of you, but many of you remember the recent pain  
and agony of expanding the sales tax base. We struggled  
mightily with that. We had no choice. We had to do it. We  
simply needed the revenue. But it was painful, it was  
difficult, and in fact it wasn't until last year that we finally  
got it straightened out so that it's workable. And I would  
argue that it's not completely straightened out at this point.  
So in one year's time, we moved from the pain of expanding the  
sales tax base to proceeding hastily to subtract \$17 million a  
year out of the sales tax base. To me, that is foolish. I just  
don't think that makes good sense. Let me comment on the tax  
policy issues involved. Sales tax is, as you know, a major